

MAIL TO:

STATE OF UTAH
DIVISION OF PURCHASING
3150 STATE OFFICE BUILDING, CAPITOL HILL
P.O. BOX 141061
SALT LAKE CITY, UTAH 84114-1061
TELEPHONE (801) 538-3026
<http://www.purchasing.state.ut.us>

Request for ProposalSolicitation Number: **BV3017**Due Date: **10/29/02 at 3:00 P.M.**

Date Sent: October 8, 2002

Goods and services to be purchased: **INSERTING SYSTEM FOR STATE MAIL SERVICES****Please complete**

Company Name		Federal Tax Identification Number	
Ordering Address	City	State	Zip Code
Remittance Address (if different from ordering address)	City	State	Zip Code
Type <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Proprietorship <input type="checkbox"/> Government	Company Contact Person		
Telephone Number (include area code)	Fax Number (include area code)		
Company's Internet Web Address	Email Address		
Discount Terms (for bid purposes, bid discounts less than 30 days will not be considered)	Days Required for Delivery After Receipt of Order (see attached for any required minimums)		
<p>The following documents are included in this solicitation: Solicitation forms, instructions and general provisions, and specifications. <u>Please review all documents carefully before completing.</u></p> <p>The undersigned certifies that the goods or services offered are produced, mined, grown, manufactured, or performed in Utah. Yes_____ No_____. If no, enter where produced, etc._____</p>			
Offeror's Authorized Representative's Signature		Date	
Type or Print Name		Position or Title	

**STATE OF UTAH
DIVISION OF PURCHASING
GENERAL SERVICES**

Request for Proposal

Solicitation Number: BV3017

Due Date: 10/29/02

Vendor Name:

NEW MAIL INSERTER FOR STATE MAIL, PER THE ATTACHED RFP DOCUMENT.

QUESTIONS ON SPECIFICATIONS CALL BLAINE MURRAY AT (801) 323-4304.
QUESTIONS ON PURCHASING PROCESS (NOT RELATED TO SPECIFICATIONS) CALL BRENDA VELDEVERE AT (801) 538-3142.
RX: 100 38000000009

Ship To: SALT LAKE CITY UTAH 84114-1102

FREIGHT CHARGES (if applicable)

SHIPPING POINT AND ZIP CODE	
SHIPPING WEIGHT	
MODE OF TRANSPORTATION (Please check one) Q Small package/Ground Q LTL(Less than truck load) Q Truckload Q Air Q Other (Please specify) NMFC Class # _____ NMFC Item # _____	
TOTAL PRICE LESS FREIGHT (FOB Origin)	\$
TOTAL PRICE INCLUDING FREIGHT (FOB Destination)	\$

REQUEST FOR PROPOSAL - INSTRUCTIONS AND GENERAL PROVISIONS

1. PROPOSAL PREPARATION: (a) All prices and notations must be in ink or typewritten. (b) Price each item separately. Unit price shall be shown and a total price shall be entered for each item bid. (c) Unit price will govern, if there is an error in the extension. (d) Delivery of services as proposed is critical and must be adhered to. (e) Incomplete proposals may be rejected. (f) This proposal may not be withdrawn for a period of 60 days from the due date. (g) Where applicable, all proposals must include complete manufacturer's descriptive literature. (h) By signing the proposal the offeror certifies that all of the information provided is accurate, that they are willing and able to furnish the item(s) specified, and that prices offered are correct.

2. SUBMITTING THE PROPOSAL: (a) The proposal must be signed in ink, sealed, and if mailed, mailed in a properly-addressed envelope to the DIVISION OF PURCHASING, 3150 State Office Building, Capitol Hill, Salt Lake City, UT 84114-1061. **The "Solicitation Number" and "Due Date" must appear on the outside of the envelope.** (b) Proposals, modifications, or corrections received after the closing time on the "Due Date" will be considered late and handled in accordance with the Utah Procurement Rules, section 3-209. (c) **Your proposal will be considered only if it is submitted on the forms provided by the state. Facsimile transmission of proposals to DIVISION will not be considered.** (d) All prices quoted must be both F.O.B. Origin per paragraph 1.(c) and F.O.B. Destination. Additional charges including but not limited to delivery, drayage, express, parcel post, packing, cartage, insurance, license fees, permits, costs of bonds, or for any other purpose must be included in the proposal for consideration and approval by the Division of Purchasing & General Services (DIVISION). Upon award of the contract, the shipping terms will be F.O.B. Destination, Freight Prepaid with freight charges to be added to the invoice unless otherwise specified by the DIVISION. No charge for delivery, drayage, express, parcel post, packing, cartage, insurance, license fees, permits, costs of bonds, or for any other purpose will be paid by the state unless specifically included in the proposal and accepted by DIVISION. (e) By signing the proposal the offeror certifies that all of the information provided is accurate and that he/she offers to furnish materials/services for purchase in strict accordance with the requirements of this proposal including all terms and conditions.

3. BONDS: The state has the right to require a bid or proposal bond, payment bond and/or a faithful performance bond from the offeror in an amount not to exceed the amount of the contract.

4. PROPRIETARY INFORMATION: Suppliers are required to mark any specific information contained in their bid which is not to be disclosed to the public or used for purposes other than the evaluation of the bid. Each request for non-disclosure must be accompanied by a specific justification explaining why the information is to be protected. Pricing and service elements of any proposal will not be considered proprietary. All material becomes the property of the state and may be returned only at the state's option. Proposals submitted may be reviewed and evaluated by any persons at the discretion of the state.

5. BEST AND FINAL OFFERS: Discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of assuring full understanding of, and responsiveness to, solicitation requirements. Prior to award, these offerors may be asked to submit best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by a competing offeror.

6. SAMPLES: Samples, brochures, etc., when required, must be furnished free of expense to the state and if not destroyed by tests may, upon request made at the time the sample is furnished, be returned at the offeror's expense.

7. DIVISION APPROVAL: Contracts written with the State of Utah, as a result of this proposal, will not be legally binding without the written approval of the Director of the DIVISION.

8. AWARD OF CONTRACT: (a) The contract will be awarded with reasonable promptness, by written notice, to the lowest responsible offeror whose proposal is determined to be the most advantageous to the state, taking into consideration price and evaluation factors set forth in the RFP. No other factors or criteria will be used in the evaluation. The contract file shall contain

the basis on which the award is made. Refer to Utah Code Annotated 65-56-21. (b) The DIVISION can reject any and all proposals. And it can waive any informality, or technicality in any proposal received, if the DIVISION believes it would serve the best interests of the state. (c) Before, or after, the award of a contract the DIVISION has the right to inspect the offeror's premises and all business records to determine the offeror's ability to meet contract requirements. (d) The DIVISION will open proposals publicly, identifying only the names of the offerors. Proposals and modifications shall be time stamped upon receipt and held in a secure place until the due date. After the due date, a **register** of proposals shall be established. The **register** shall be open to public inspection, but the proposals will be seen only by authorized DIVISION staff and those selected by DIVISION to evaluate the proposals. The proposal(s) of the successful offeror(s) shall be open for public inspection for 90 days after the award of the contract(s). (e) Utah has a reciprocal preference law which will be applied against bidders bidding products or services produced in states which discriminate against Utah products. For details see Section 63-56 20.5 -20.6, Utah Code Annotated.

9. ANTI-DISCRIMINATION ACT: The offeror agrees to abide by the provisions of the Utah Anti-discrimination Act, Title 34 Chapter 35, U.C.A. 1953, as amended, and Title VI and Title VII of the Civil Rights Act of 1964 (42 USC 2000e), which prohibit discrimination against any employee or applicant for employment, or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age, and Section 504 of the Rehabilitation Act of 1973 or the Americans with Disabilities Act of 1990, which prohibits discrimination on the basis of disabilities. Also offeror agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the workplace. Vendor must include this provision in every subcontract or purchase order relating to purchases by the State of Utah to insure that the subcontractors and vendors are bound by this provision.

10. WARRANTY: The contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah applies to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the State has relied on the contractor's skill or judgement to consider when it advised the State about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the State has not been warned. Remedies available to the State include the following: The contractor will repair or replace (at no charge to the State) the product whose nonconformance is discovered and made known to the contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.

11. DEBARMENT: The CONTRACTOR certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the CONTRACTOR cannot certify this statement, attach a written explanation for review by the STATE.

12. GOVERNING LAWS AND REGULATIONS: All State purchases are subject to the Utah Procurement Code, Title 63, Chapter 56 Utah Code Annotated 1953, as amended, and the Procurement Rules as adopted by the Utah State Procurement Policy Board (Utah Administrative Code Section R33). These are available on the Internet at www.purchasing.state.ut.us.

(Revision 2/14/2000 - RFP.Instructions)

STATE OF UTAH
DIVISION OF PURCHASING & GENERAL SERVICES
REQUEST FOR PROPOSAL
RFP # BV3017
INSERTING SYSTEM

1. Purpose for Request for Proposal (RFP)

State Mail Services (SMS) is in the process of upgrading its inserting system. Currently, SMS has a number of inserters that lack in-line folding and intelligence capabilities. This equipment has served the state well (within the equipment's capabilities). It is anticipated that the state will acquire an inserter with in-line folding, accumulating, and intelligent (OMR reading) capabilities. SMS will evaluate options relative to the latest technology, industry innovations, and compliance with minimum specifications, ease of use, proven equipment reliability, cost, and service and maintenance considerations.

2. Issuing Office

The State of Utah Division of Purchasing and General Services is the issuing office for this document and subsequent addenda relating to it. The reference number is BV3017. This number must be referenced on all proposals, correspondence and documentation relating to this RFP.

3. RFP Questions

Questions relating to the specifications and scope of work, please contact Blaine Murray, State Mail Manager, at (801) 323-4304. Questions regarding the purchasing process (not related to specifications or scope of work) please contact Brenda Veldevere, Purchasing Agent, at (801) 538-3142.

4. Changes of Procurement

Any changes or modifications to this RFP will only be accomplished in a written addendum. Any other form is not binding. Offerors submitting a proposal based on any information other than that which is contained in this RFP, or any addendum thereto, do so at their own risk.

5. Cancellation of Procurement

This RFP may be canceled at any time when the State of Utah, Division of Purchasing & General Services determines such action to be in the best interest of the State of Utah. All costs associated with the preparation of the proposal, as well as any other related materials, will be borne by the offeror.

6. Response Date and Submission of Proposals

One (1) hard copy marked as original and three (3) identical hard copies of your sealed proposal will be accepted **until 3:00 P.M. on Tuesday, October 29, 2002**, at the following location only:

State of Utah
Division of Purchasing & General Services
State Office Building, Capitol Hill
Room 3150
Salt Lake City UT 84114-1061

Any proposal in route, either in the mail or at other locations in the State Office Building will not be considered timely. Proposals received after the deadline will be marked late and ineligible for consideration.

The sealed transmittal is to have **“RFP BV3017 INSERTERTING SYSTEM”** clearly marked on the outside of all packages.

All costs associated with the preparation of the proposal, as well as any other related materials, will be borne by the offeror. All proposals become the property of the State of Utah.

7. Governing Laws and Regulations

This procurement is conducted by the State of Utah, Division of Purchasing & General Services, in accordance with the Utah Procurement Code, Title 63, Chapter 56 Utah Code Annotated 1953, as amended, and the Procurement Rules as adopted by the State Procurement Policy Board (Utah Administrative Code Section R33). These are available at the Internet website for the State of Utah’s Division of Purchasing & General Services www.purchasing.utah.gov.

SCOPE OF WORK

Equipment Parameters and Specifications

The proposed equipment must process mail consistent with and have same reader capabilities as the state’s Bell & Howell Mailstar 500. See *Attachment B* for a description of the OMR mark definitions.

Feeder/Conveyor Information

In-line, bottom sheet feeder

Paper. Cut Sheet

Feeding. Face up, top edge leading

Feeder Alignment. Ability to configure feeder orientation back toward the operator to limit distance traveled by the operator to refill conveyor/feeder.

Paper Stock. Vendor must specify paper weight limitations and sheet capacity by common paper weights.

Reading System. OMR

Collation. Z -> A

Accumulator

Vendor must specify accumulator capacities (piece count and thickness) by paper weight.

Dual Accumulation.

Accumulator On/Off Switch

Folder

Folder. Vendor must specify the manufacturer and specifications for the proposed folder.

Fold Type. Trifold or half-fold, to be selected by operator without significant alterations to job programming or equipment. Provide a description of the alterations required.

Capacity. Vendor must provide information on the number of sheets in a set that can be folded together by tri-fold and half-fold.

Insert Station Section

Six stations, variable select

Vendor must specify insert station stack height and capacities (standard, and with extensions).

Vendor must describe gripper arm calibrations and procedures (automatic and manual) that can and must be performed to help eliminate doubles and misses.

Double Detect. Each insert station must have computerized double detection and miss detection.

Automatic Station Back-up. This is to allow the operator to designate a number of hoppers/stackers to be used for the same insert to enhance productivity and minimize down-time due to re-loading inserts. Vendor is to describe the station back-up capabilities of his or her equipment.

Low Insert Stack Detection. Vendor should describe his or her equipment's procedure for detecting and alerting for low insert volume conditions within each stack/hopper.

Mailpiece Raceway Controls. Vendor should describe the equipment's provisions for ensuring that the inserts do not "fly" while they are being transported down the raceway.

Envelope Specifications

Envelope Hopper. Vendor must describe his or her equipment's envelope feeding process. Since the state inserts various envelopes, maximum flexibility in envelope size, shape, and curl conditions is preferred.

Vendor must specify equipment envelope capabilities (envelope dimensions, quantity, and thickness), stacker height and capacity, as well as envelope flap depth limitations. Samples of common envelopes used by State Mail Services will be provided. Vendor must describe the adjustments necessary to accommodate envelopes of different dimensions and sizes (within the machine's capabilities).

Post-Insert Stations

Overweight Diverter. Operator should be able to select sealed or unsealed to allow operator to verify and perform quality control checks.

Overweight Diverter —2: Computer Weighing Controlled. Filled envelopes that exceed 2.000 ounces will be diverted, sealed or unsealed (at the operator's discretion), prior to reaching the postage meter.

Diverting. Vendor must describe the action taken on doubles and misses. Is it an automatic process? Does the equipment stop during this situation?

High Count Stop. This feature provides for the removal of completed sets that are too large. The number of pages that constitute a large set will be determined by the operator. Once this number is reached at the feeder, the set will be completed and dumped into the raceway for removal. No inserts or envelope should be pulled for that set.

Dual Metering – Computer Weighing Controlled. Two in-line postage meters will be utilized to meter two different weight categories. The selection of the correct meter will be made through the computer weighing function. System must accommodate two Pitney Bowes modules and meters

Computer Weighing. This function allows the operator to apply a weight to each specific piece of material to be processed through the machine. The computer then calculates the total weight of the set and selects the meter destination (0 – 1.00 oz goes to the low weight meter; 1.001 – 2.00 oz goes to high weight meter; over 2 oz gets marked/diverted and sealed (or unsealed at the operator's discretion).

Sealer. Must be selectively activated, based on machine condition or OMR specifications.

Divert Bins. Vendor must specify divert bin availability (over weight and errors or exceptions).

End conveyor/Take Off Belt. Prefer a minimum of 60 in. length. Vendor should describe his or her end conveyor and how it maximizes the number of envelopes held/stacked.

Envelope Turnover. Vendor must describe his or her equipment's envelope turnover procedure. Maximum flexibility of jam correction and clearing is preferred.

Sealer. Vendor must describe the sealing procedure for a set fed without an envelope.

Miscellaneous System and Equipment

Top Cycle Speed and Efficiency. Vendor must specify top cycle speed and efficiency rates for a single, double, and triple insert scenarios.

Job and Statistic Reporting. Vendor must describe job status reporting and other production reporting capabilities.

SCOPE OF WORK

Equipment Parameters and Specifications

Job Memory. Vendor must specify job memory capacity (the number of different jobs and job parameters that can be programmed into the system).

Facility Requirements. Vendor must specify electrical power requirements and spatial requirements.

Maintenance and Service

Maintenance and Service

References. Proper and pro-active preventive maintenance and machine service are crucial and of utmost importance to the state. As such, a significant part of the evaluation will be dedicated to this area. The vendor must provide a current list of relevant references which will speak to the reliability of the equipment and the vendor's service personnel and experience.

Regular Maintenance. Vendor must provide detailed information on regular maintenance. This is to include covered parts and labor on regular maintenance calls.

Software Maintenance. Vendor must describe required on-going software maintenance requirements and cost estimates.

Warranty Coverage. Vendor is to provide a description of the warranty coverage and time frames of the coverage.

Service Response Times. Vendor must provide a time commitment for a response/acknowledgement of receipt of call for service, as well as a commitment for the service technician's arrival at our facility. Vendor must provide a confirmation number for all service calls.

Emergency Service. Vendor must provide a description of emergency service provisions and availability. This is to include costs and response time commitments.

Training and Support

Initial Training. Vendor must provide a detailed description of the training program that is available or included with installation.

Subsequent Training. Vendor must describe continued and follow-up training and consultation that is available after the initial training.

Price

Purchase Price. Vendor must provide the acquisition cost, inclusive of transportation, installation, and initial training.

Maintenance. Vendor must provide cost of preventive maintenance both for the equipment as well as software, if applicable.

Reliability

Equipment and technology must be time tested with all technological and mechanical "bugs" worked-out.

Life Cycle Analysis. Vendor must specify the life cycle rating of the equipment and the anticipated service and maintenance experience over the life of the equipment (including any anticipated changes in service requirements/schedules over the life of the equipment).

Proposal Submission Requirements

Responses (original and copies) are to be prepared on 8 ½ x 11" paper and placed in a 3 ring binder(s) with tabs delineating each section. The 3-ring binder(s) is to be large enough to adequately hold your RFP response. Responses should be typed not handwritten.

RFP responses must be concise and are to be returned with the following documents in the order and format shown below. Any RFP received without the documents below or not in the order/format shown may be deemed non-responsive and may not be considered for award. Pertinent supplemental information should be referenced and included as attachments

Section 1: Letter of Transmittal.

The letter of transmittal should include an introduction of the offeror's company, the name, address, and telephone number of the person to be contacted along with others who are authorized to represent the company in dealing with this RFP; and an expression of the offeror's ability and desire to meet the requirements of this RFP. Any other information not appropriately contained in the proposal itself should also be included.

Section 2: Executive Summary.

An executive summary which briefly describes the offeror's approach to the proposal and clearly indicates any options or alternatives. It should also indicate any major requirements that cannot be met by the offeror. This summary should also highlight the major features of the proposal and identify any supporting information considered pertinent. The reader should be able to determine the essence of the proposal and how well it meets the requirements by reading the executive summary.

Section 3: Detailed Discussion.

1. A general but complete narrative of the offeror's assessment of the work to be performed and the ability to meet those aims, along with the resources necessary to meet the requirements of this RFP. This narrative should clearly demonstrate the offeror's understanding of the desired overall performance expectations as well as how their proposal will meet the requirements.
2. A specific response to each requirement outlined in the Scope of Work, Equipment Parameters & Specifications section.

Section 4: Cost Proposal.

The offer must submit a cost proposal allowing the performance merits of the proposal to be evaluated independent of costs.

Due to budget constraints, respondents must price additional items or elements for cost comparison (i.e., insert stations extensions, take-off belt extensions, additional warranty provisions).

Evaluation of Proposals

The proposal will be evaluated by a committee against the following criteria with assigned weights indicated. Each area of the evaluation criteria must be addressed in detail in the proposal.

40% Price.

Detailed cost information to include maintenance cost, software agreements, emergency service rates, equipment cost, and additional training costs.

30% Equipment Parameters & Specifications.

Demonstrated ability to satisfy each area of the Scope of Work Equipment Parameters & Specifications section of this RFP. The equipment must meet the state's need for intelligent inserting.

15% Service.

The vendor's demonstrated ability to properly support and maintain the equipment with repairs and preventive maintenance within the committed time frame and without interrupting daily operations.

10% Reliability.

The equipment must be reliable, dependable and proven to function effectively in a mail processing environment similar to the state's. The equipment's construction and technology must be substantial enough to provide continuous service for at least 7 years before a replacement study is necessary (as demonstrated by the offeror's submitted life cycle analysis).

5% Training and Support.

Vendor's demonstrated ability to provide thorough initial and follow-up training and support for State Mail Services operators and the adequacy of the vendor's training program.

Penalty Clause

The state reserves the right to assess a penalty for non-performance of contract including down-time and/or failure to properly deliver and maintain the system. Penalty will be in an amount of 10% of monthly service/maintenance cost per incident.

Proprietary Information

Offerors are requested to mark any specific information contained in their proposal which is not to be made public or used for purposes other than the evaluation of the proposals. Pricing and services elements of the successful proposal will not be considered proprietary. All materials become the property of the State of Utah and may be returned only at the state's option. Proposal submitted may be reviewed and evaluated by any person at the discretion of the state.

ATTACHMENT A: STANDARD TERMS AND CONDITIONS

1. **AUTHORITY:** Provisions of this contract are pursuant to the authority set forth in 63-56, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the STATE to purchase certain specified services, and other approved purchases for the STATE.
2. **CONTRACT JURISDICTION, CHOICE OF LAW, AND VENUE:** The provisions of this contract shall be governed by the laws of the State of Utah. The parties will submit to the jurisdiction of the courts of the State of Utah for any dispute arising out of this Contract or the breach thereof. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.
3. **LAWS AND REGULATIONS:** Any and all supplies, services and equipment furnished will comply fully with all applicable Federal and State laws and regulations.
4. **RECORDS ADMINISTRATION:** The CONTRACTOR shall maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the CONTRACTOR for costs authorized by this contract. These records shall be retained by the CONTRACTOR for at least four years after the contract terminates, or until all audits initiated within the four years, have been completed, whichever is later. The CONTRACTOR agrees to allow STATE and Federal auditors, and STATE Agency Staff, access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.
5. **CONFLICT OF INTEREST:** CONTRACTOR represents that none of its officers or employees are officers or employees of the State of Utah, unless disclosure has been made in accordance with 67-16-8, Utah Code Annotated, 1953, as amended.
6. **CONTRACTOR, AN INDEPENDENT CONTRACTOR:** The CONTRACTOR shall be an independent contractor, and as such, shall have no authorization, express or implied, to bind the STATE to any agreements, settlements, liability, or understanding whatsoever, and agrees not to perform any acts as agent for the STATE, except as herein expressly set forth. Compensation stated herein shall be the total amount payable to the CONTRACTOR by the STATE. The CONTRACTOR shall be responsible for the payment of all income tax and social security amounts due as a result of payments received from the STATE for these contract services. Persons employed by the STATE and acting under the direction of the STATE shall not be deemed to be employees or agents of the CONTRACTOR.
7. **INDEMNITY CLAUSE:** The CONTRACTOR agrees to indemnify, save harmless, and release the STATE OF UTAH, and all its officers, agents, volunteers, and employees from and against any and all loss, damages, injury, liability, suits, and proceedings arising out of the performance of this contract which are caused in whole or in part by the negligence of the CONTRACTOR'S officers, agents, volunteers, or employees, but not for claims arising from the State's sole negligence.
8. **EQUAL OPPORTUNITY CLAUSE:** The CONTRACTOR agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the CONTRACTOR agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.
9. **SEPARABILITY CLAUSE:** A declaration by any court, or any other binding legal source, that any provision of this contract is illegal and void shall not affect the legality and enforceability of any other provision of this contract, unless the provisions are mutually dependent.
10. **RENEGOTIATION OR MODIFICATIONS:** This contract may be amended, modified, or supplemented only by written amendment to the contract, executed by the parties hereto, and attached to the original signed copy of the contract.
11. **DEBARMENT:** The CONTRACTOR certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the CONTRACTOR cannot certify this statement, attach a written explanation for review by the STATE.
12. **TERMINATION:** Unless otherwise stated in the Special Terms and Conditions, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) working days after notification to correct and cease the violations, after which the contract may be terminated for cause. This contract may be terminated without cause, in advance of the specified expiration date, by either party, upon 90 days prior written notice being given the other party. On termination of this contract, all accounts and payments will be processed according to the financial arrangements set forth herein for

approved services rendered to date of termination.

13. SALES TAX EXEMPTION: The State of Utah's sales and use tax exemption number is E33399. The tangible personal property or services being purchased are being paid from State funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract.
14. WARRANTY: The contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah apply to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the State has relied on the contractor's skill or judgement to consider when it advised the State about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the State has not been warned. Remedies available to the State include the following: The contractor will repair or replace (at no charge to the State) the product whose nonconformance is discovered and made known to the contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.
15. PUBLIC INFORMATION: Contractor agrees that the contract will be a public document, as to distribution of copies, and Contractor gives the STATE express permission to make copies of the contract and/or of the response to the solicitation in accordance with the State of Utah Government Records Access and Management Act. The permission to make copies as noted will take precedence over any statements of confidentiality, proprietary information, copyright information, or similar notation.

(Revision date: Apr 24, 2002)

ATTACHMENT B

STATE OF UTAH

Intelligent Inserter System Functions

System Functions

Demand Feed function allows for the collection of multiple page sets. When the collection of these pages is complete, the set will be fed into the insert track/folder. The demand feed mark will be on all overflow pages or absent on last page fed (to be selected by the operator).

Gripper Arm Selection The presence of any or all Select function marks on the control document will cause an insert to be fed from the corresponding insert hopper as a set passes the gripper arm station. The stations may also be programmed On (always pull the insert), or Off (never pull the insert).

Hold Diverter #1: Function Line Controlled The presence of a Divert function mark on the control document will cause the envelope set containing that page to be diverted, unsealed, prior to reaching the postage meter.

Zip Marking The presence of the Zip function mark on the control document will cause the envelope containing this set to be marked on the top edge. If an envelope to receive a zip mark is removed before reaching the marker or is to be diverted, the next envelope will be marked.

Item Count Verification Within a Set Binary function marks will be printed on the first page fed of every set. The totaled value of the binary marks must equal the number of pages in the set. Normal operation if match, fault condition if mismatch and the machine stops. This function may be disabled by an Item Count on/off switch.

Z -> A Feeding Binary sequence function marks will be printed on every page of a run. The sequence count will decrement with each page. Note: The binary marks printed on the first page fed of each set will be in a decrementing sequential order following the last page fed of the previous set. This function may be disabled by the Page Sequence On/Off switch.

Gate/Read Verify This function mark, printed on every page of the set, ensures and initiates the reading system. This mark checks for print density and function mark registration. The absence or misreading of this mark, for any reason, will cause the entire set to be fed into the track and the machine will stop. The read verify mark doubles as a gate mark. The presence of this mark initializes and begins the reading process.

Page Sequence By read, within a set ensures proper sequencing and no out-of sequence or missing pages. Can be turned off or on.

Function Mark Setup This feature allows the operator to select the sequential order of the function marks. The location of the marks on the material remains the same; however, the logic of these marks may be programmed to change the OMR mark placement meaning.

Selection (all stations) allows the operator to select inserts for job-specific applications.

System Modes Gate/Read Verify on every page. Demand Feed on overflow pages or absent on last page. Page Sequence on every page fed